

Alabama

Mike Mason
Director of Tax Policy
Alabama Department of Revenue

With Alabama's current fiscal condition, we welcome the opportunity to work with the IRS in this initiative. The combined resources of federal and state can strengthen the aggressive identification and elimination of tax avoidance schemes.

Arizona

J. Elliott Hibbs
Director
Arizona Department of Revenue

Arizona is excited about signing the Abusive Tax Avoidance Transactions (ATAT) Memorandum of Understanding (MOU) for several reasons. Abusive tax schemes cost the state of Arizona several million dollars each year. The MOU will allow the Department of Revenue (DOR) to take a more aggressive approach against taxpayers that are purchasing abusive tax avoidance products to evade paying their fair share of Arizona income tax. Partnering with IRS will provide auditor training opportunities, audit leads and joint taxpayer education.

Abusive tax avoidance schemes create inequities in the Arizona tax system, undermine the Arizona tax system and weaken Arizona tax revenues. DOR is determined and eager to pursue those taxpayers that are *not* paying their fair share of Arizona income tax; joining forces with the IRS is just the beginning.

California

Steve Westly
California State Controller and Chair of the
Franchise Tax Board

This agreement is a "win-win" for State and Federal government and a "lose-lose" for tax cheats. It will help us find and prosecute more tax evaders without adding to our costs.

District of Columbia

Phil Brand
Deputy Chief Financial Officer
Office of Tax and Revenue
Washington, District of Columbia

The District of Columbia Office of Tax and Revenue (OTR) is pleased to be part of the effort combating the abuse of tax shelters. OTR intends to work vigorously with IRS and our counterparts in the states to collectively deal with those who attempt to avoid or evade taxes.

Iowa

Michael Ralston
Director
Iowa Department of Revenue

Michael Ralston, director of the Iowa Department of Revenue, said, "Participating in the Abusive Tax Avoidance Transaction effort with the Internal Revenue Service will improve tax administration at both the federal and state levels. Resources will be better utilized to result in additional compliance and more revenue for the State of Iowa. The Iowa Department of Revenue is committed to allocating resources for this project."

"Working with the IRS is something we do every day," continued Ralston. "This partnership benefits taxpayers through more effective use of resources, and we look forward to this new partnering initiative."

Illinois

Brian Hamer
Director
Illinois Department of Revenue

"Illinois is pleased to be part of this joint effort to crack down on tax evasion," said Illinois Revenue Director Brian Hamer, noting that Illinois has already seen benefits from the federal crackdown on abusive shelters. In recent months two individual taxpayers had come forward, filed amended returns, and paid Illinois \$2.3 million, after they became aware of IRS efforts involving tax shelters. "I'm confident that this concerted joint effort will identify further abuse, assure that taxpayers fully pay the tax they owe, and ease the tax burden on other taxpayers," Hamer said.

Louisiana

Cynthia Bridges
Secretary
Louisiana Department of Revenue

It has been estimated that Louisiana lost between \$44 million and \$94 million in 2001 as a result of corporate tax sheltering. This ATAT Memorandum of Understanding is another example of Louisiana's cooperative partnership with the IRS to eliminate abusive tax avoidance schemes.

Maryland

Steve Cordi
Deputy Comptroller and President of the
Federation of Tax Administrators

This partnership takes FedState cooperation to a new level beyond simply sharing data and joint customer service projects to real compliance. Taxpayers not complying with federal laws are most certainly not complying with state laws. We hope to recover unpaid state taxes but more importantly, if we don't partner with the IRS to confront abusive tax schemes, we lose the trust of our compliant taxpayers, and that's a big deal.

Massachusetts

Alan LeBovidge
Commissioner of Revenue

"This sort of cooperation is really the wave of the future," said Alan LeBovidge, commissioner of revenue for Massachusetts. "As businesses get more and more complex, the only way to move forward is to foster cooperation among government agencies."

Massachusetts, which closed a number of tax loopholes earlier this year, has a goal of making everyone pay their fair share of taxes. The memorandum of understanding with the IRS will help the Commonwealth evaluate some of the more sophisticated tax avoidance schemes employed by businesses, LeBovidge said.

Minnesota

Dan Salomone
Commissioner
Minnesota Department of Revenue

The State of Minnesota is pleased to be part of this collaborative effort to identify and combat abusive tax avoidance transactions. Minnesota has garnered a national reputation for the management of its tax system, in part because of the close working relationship between the Minnesota Department of Revenue and the Internal Revenue Service.

I am confident that the new initiatives that will spring from the memorandum of understanding will increase the fairness of our tax system, help us maintain quality public services, and reduce future tax burdens on compliant taxpayers.

Missouri

Todd Iveson
Deputy Director of Taxation and Collection
Missouri Department of Revenue

Missouri is in a tough budget time when every dollar counts. The agreement between our state and the IRS will help identify individuals who are not filing and not paying their fair share of taxes. The program will allow federal and state auditors to team up from the start, using joint strategies, procedures, and audit techniques to find abusive taxpayers. We are very excited about this new program and look forward to working more closely with the IRS.

Missouri's tax amnesty program runs until October 31, 2003. During amnesty, individuals can pay eligible unpaid state taxes that were due on or before December 31, 2002, without paying interest or penalties. Delinquent taxpayers should consider coming forward now to file and/or pay any unpaid taxes, before the IRS and Missouri team up and find them. Individuals identified after the amnesty program will be required to pay the full tax, interest, and penalties and will be subject to all criminal and civil actions provided by law.

Montana

Linda Francis
Director
Montana Department of Revenue

The cooperative federal-state agreement between the Internal Revenue Service and the State of Montana to share information on Abusive Tax Avoidance Transactions (ATAT) is a great opportunity. Working together to identify and bring ATAT participants into compliance, the Internal Revenue Service and the State of Montana will reduce duplicative efforts and maximize audit resources.

Governor Judy Martz is very supportive, and believes that entering into this agreement will benefit Montana citizens by improving government's pursuit of tax scheme participants. The cooperative effort will enhance Montana's effectiveness in administering the state's tax code and in educating ATAT participants on tax requirements. Ultimately, this will ensure that all Montana taxpayers are treated consistently, with everyone paying his or her fair share.

New Jersey

Robert K. Thompson
Director
New Jersey Division of Taxation

This is just one more example of the IRS and the New Jersey Division of Taxation working together to insure that all taxpayers pay their fair share and that the costs of good tax enforcement is born by those who are truly non-compliant. It further highlights the fact that taxpayers that use high priced tax preparers are held to the same standard as all others.

New York

Arthur J. Roth
Commissioner of Taxation and Finance

New York State Commissioner of Taxation and Finance Arthur J. Roth said, "I was pleased and honored that New York was the first state to sign onto this MOU. Because of this important agreement, we will no longer have to discuss the 'growing' area of tax schemes and scams. I now look forward to referring to the 'shrinking' or 'once thriving, but now dying' area of tax schemes and scams."

North Carolina

Norris Tolson
Secretary
North Carolina Department of Revenue Secretary

The North Carolina Department of Revenue is pleased to be a partner with the Internal Revenue Service in our continued effort to address tax compliance issues in this state. Our partnership with the IRS is a vital link in our agency's overall compliance program.

We have worked closely with IRS tax officials during this year to develop procedures for addressing tax avoidance schemes. Our newly signed Memorandum of Understanding with the IRS targets abusive tax avoidance transactions used by citizens of our state. These abusive transactions cost the state of North Carolina millions of dollars in lost tax revenue each year.

As the North Carolina Department of Revenue launches its Project Compliance initiative, our agency is committed to returning more than \$40 million in lost revenue to the state's general fund during this fiscal year. Our initiative is aimed at addressing abusive tax avoidance transactions and is a key element of our compliance enforcement strategy during this year.

Our efforts focus on fairness for all citizens and proper compliance with our state's tax laws.

Oklahoma

Steve Kemp
Commissioner
Oklahoma Tax Commission

We are very pleased to join forces with the Internal Revenue Service in combating abusive tax avoidance transactions through information sharing to identify, to examine, and to bring into compliance with Oklahoma tax laws those who participate. We feel that it is important to identify and pursue these abusive tax schemes and bring the people that participate in them into compliance. To allow them to continue places an unfair burden on the honest taxpayer."

Oregon

Elizabeth Harchenko
Director
Oregon Department of Revenue

This agreement reflects the growing commitment between the states and the IRS to work together to achieve tax compliance. Citizens expect us to coordinate our efforts and to cooperate in addressing abusive tax shelters. We must share information and develop strategies together in order to assure the public that all taxpayers report and pay the taxes they owe under the law.

Pennsylvania

Gregory C. Fajt
Secretary of Revenue
Commonwealth of Pennsylvania

This Memorandum of Understanding among the Pennsylvania Department of Revenue, other U.S. states and the Internal Revenue Service gives us all new weapons to use against those who seek to avoid paying taxes in violation of the law. The information we will share under the agreement announced today will help my Department ensure that Pennsylvania's tax laws are enforced fully and fairly, and that those who do pay their taxes do not shoulder a greater burden because of those who do not.

South Carolina

Burnett R. Maybank III
Director
South Carolina Department of Revenue

The South Carolina Department of Revenue has always had a cordial and mutually-benefiting relationship with the Internal Revenue Service. For that reason we are extremely pleased to enter into this latest agreement with the IRS, and 39 other states, because it not only enhances our ability to exchange important tax information regarding corporate tax shelters and other abusive tax avoidance transactions, but allows us to share resources of all types in our efforts to alleviate this abuse of the tax system.

A recent Multi-State Tax Commission study estimated South Carolina loses more than \$80 million each year in revenue from illegal business and corporate tax shelters. That is especially critical when the state desperately needs every legitimate revenue dollar. Such abuse also places businesses that pay their taxes at an unfair competitive disadvantage to those who are not paying.

We have a common goal with the IRS, and that is to insure our honest and diligent taxpayers are not burdened by those who would use any measure to avoid paying their fair share. This agreement is yet another tool at our disposal to help us reach that goal.

South Dakota

Gary R. Viken
Secretary
South Dakota Department of Revenue and Regulation

The SD Department of Revenue and Regulation recognizes that improving taxpayer compliance is key to improving tax revenues for the State of South Dakota. Through our participation in this information exchange between the Internal Revenue Service and state tax entities, we will be able to further maximize our efforts in combating tax avoidance. This expansion of our resources will enable us to better identify those individuals who are not meeting their tax obligations and to ensure that the State of South Dakota receives the tax revenues that they are owed.

Vermont

Tom Pelham
Commissioner
Vermont Department of Taxes

The Vermont Tax Department looks forward to partnering with the Internal Revenue Service in this cooperative effort to stamp out abusive tax avoidance transactions.

The bottom line is all taxpayers must pay their fair share of federal and state taxes to fund the benefits received by living in our great nation and our great state.

Virginia

Kenneth W. Thorson
Tax Commissioner
Virginia Department of Taxation

The IRS' new Abusive Tax Avoidance Transactions (ATAT) program highlights the partnership between the IRS and State tax officials to address the growing area of tax schemes and scams. Virginia strongly supports the Internal Revenue Service's program to combat abusive tax avoidance transactions.

Over the past several years, Virginia strengthened its efforts to protect the integrity of our system of voluntary tax compliance. Cooperation with the IRS in the program announced today complements our state-based efforts.

We owe it to honest taxpayers that routinely pay their fair share of taxes to pursue aggressively those persons who improperly seek to avoid this most central civic responsibility. We look forward to becoming an ally of the IRS in this important initiative.

Wisconsin

Michael L. Morgan
Wisconsin Revenue Secretary
Wisconsin Department of Revenue

Michael L. Morgan, Wisconsin Revenue Secretary, praised the ATAT partnership saying the effort will address tax equity while helping his state reduce its delinquent tax balance.

"Wisconsin expects to see tangible benefits from this innovative partnership," said Morgan. "Together with the federal government we can improve on the collection of revenues that are critical to our state and we can do so with an even greater measure of fairness."